

United States Department of Defense
Air Force Materiel Command
Air Force Center for Environmental Excellence (AFCEE)



Privatization of Military Family Housing
Kirtland Air Force Base

September 7, 2000

**INDUSTRY FORUM
SEPTEMBER 27-28, 2000**

We are pleased to announce an "Industry Forum" to be held on September 27th and 28th at Kirtland Air Force Base in Albuquerque, New Mexico to provide an overview of the upcoming privatization of military family housing. Several documents are enclosed for your review.

Please note that in order to facilitate your entry to Kirtland AFB, you must register your firm's name and all participants via e-mail to kafb@kgpartners.com or call our offerors desk at (703) 741-1869. **Please register no later than September 22, 2000.**

We strongly suggest arriving at the base prior to noon on September 27 in order to pass through security. The Industry Forum will begin promptly at 1:00 p.m.

Please see the "General Information" sheet enclosed for details regarding arrangements. Also enclosed are a tentative Agenda for the Industry Forum and a Project Summary. An Information Package will be available for downloading on or about September 13, 2000 at www.afcee.brooks.af.mil/dc/dch/hpdata/hpdata.asp

We look forward to your attendance.

KORMENDI \ GARDNER PARTNERS

PRICEWATERHOUSECOOPERS 

Greenhorne & O'Mara, Inc.

PRESS RELEASE:

The Air Force Center for Environmental Excellence (AFCEE), operating on behalf of the Air Force Materiel Command will host an Industry Forum at Kirtland Air Force Base from September 27 until September 28, 2000. This forum will provide potential bidders with an overview of financial and technical elements of the upcoming solicitation release for the Kirtland AFB Privatization/Construction Initiative. An afternoon session on September 27 will present specifics of the project, which will be followed by a no-host icebreaker at the Kirtland AFB Mountain View Club. The morning of September 28 will provide an opportunity to tour Kirtland AFB and each housing neighborhood included in the privatization project. Interested participants should contact Kormendi\Gardner Partners to register attendance at kafb@kgpartners.com or phone 703-741-1869. This Industry Forum will be the only opportunity for potential bidders to visit Kirtland AFB prior to the formal release of the Request for Proposal (RFP) by mid-October 2000.


General scope of the Kirtland Project involves the demolition of 1,573 obsolete on-base housing units, the construction of 953 new units, and the long term (up to 50 years) management, operation and maintenance of those 953 units plus 211 existing units that were recently constructed (a total of 1,164 units). Also described very generally, the Air Force expects to contribute leased real property and improvements for the project's execution. The Air Force expects the successful private offeror to contribute cash equity, obtain private sector debt, and be responsible for managing and operating the Kirtland Project for the duration of the long term lease with the Government.

Central to the transaction is a lease from the Air Force to the Successful Offeror of several parcels of real property located on Kirtland AFB. At the closing of the transaction, the Successful Offeror will become the lessee of these parcels, all of which are presently improved with housing units that together comprise family housing at Kirtland AFB.

AFCEE has engaged KORMENDI \ GARDNER PARTNERS ("KGP"), a financial advisory firm with offices in Washington, D.C., to support AFCEE in this privatization project. KGP and its team of subcontractors (the "KGP Team"), including PricewaterhouseCoopers, Greenhorne & O'Mara, Inc., and Eastham Johnson Monnheimer & Jontz, P.C., will support AFCEE in every aspect of conducting the Industry Forum, soliciting prospective offerors, evaluating submissions, closing the transaction and monitoring the Successful Offeror's post-closing performance. AFCEE and other Air Force and Defense Department organizations will ultimately review KGP's analyses and recommendations, and will make the ultimate decisions that result in selection of the Successful Offeror.

Potential bidders should contact KGP no later than September 22, 2000 to register their intent to attend the Industry Forum at Kirtland AFB.

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**Industry Forum
September 27-28, 2000
General Information Sheet**

Entrance to Base

Enter the base via the Gibson Gate. You will be required to obtain a vehicle pass from the Visitor's Center. Be prepared to show a valid drivers license and proof of automobile insurance (a car rental agreement is acceptable). This process may take up to 15 minutes.

Directions to the East Theatre

After entering through the Gibson Gate, continue on Gibson Boulevard. At the 2nd light, turn right onto Texas Street. Make a left onto G Avenue (after 2 to 3 blocks). The "East Theatre" will be the 2nd building on your left. It is on the corner of 1st Street and G Avenue. A general map of the Kirtland Air Force base is available on the following website: <http://www.kirtland.af.mil/Traffic/trafficupdate/index.htm>

Lunch

Listed below are several locations to get lunch on base:

- McDonalds (across from Gibson gate)
- Base Exchange Food Court (Across the street from McDonald's)
- Mountain View Club (former Officers' Club)
- Coronado Club (South of Wyoming Gate on west side)

Registration

Upon entering the East Theater, you will see a welcome table in the lobby with a list of all registered parties. Please sign in before entering the theatre.

Icebreaker

The Icebreaker will be held at the Mountain Club, which is located on base. There will be a cash bar available.

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Industry Forum -- Tentative Agenda

Wednesday, September 27, 2000

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|-------------|---|
| 1300 – 1315 | Introduction (East Theater) |
| 1315 – 1340 | AFCEE Comments |
| 1340 – 1350 | Overview of Kirtland Mission and Presence |
| 1350 – 1515 | Presentation of Detailed Project Information
Subjects to include : General Description of the Transaction; General Description of the Solicitation and Selection Process; Leased Property; Demolition and Construction; Long Term Modernization; Operations, Maintenance & Property Management |
| 1515 – 1530 | Break |
| 1530 – 1730 | Presentation of Detailed Project Information (continued)
Subjects to include: Financing; Equity Contribution; Financing and Legal Documents; Rental Income; Operating Expenses & Utilities; Property Taxes; Lockbox Agreement; Escrow and Reserve Accounts; Windfall Income; Default; End of Lease Term; Review of Books, Records, Accounts, Reports and Construction Progress |
| 1730 – 2100 | Icebreaker (Mountain View Club) |

Thursday, September 28, 2000

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|-------------|---|
| 0800 – 1030 | Site Tour (Location to board buses: <i>to be announced</i>) |
| 1030 – 1230 | Questions and Answers (East Theater) |
| 1230 – 1300 | Wrap Up |